

SERIAL 01086 SC PREPAID DENTAL BENEFIT PLAN

DATE OF LAST REVISION: August 17, 2006 CONTRACT END DATE: June 30, 2007

JUNE 30, 2007
~~DECEMBER 31, 2006~~
CONTRACT PERIOD THROUGH DECEMBER 31, 2004

TO: All Departments
FROM: Department of Materials Management
SUBJECT: Contract for **PREPAID DENTAL BENEFIT PLAN**

Attached to this letter is published an effective purchasing contract for products and/or services to be supplied to Maricopa County activities as awarded by Maricopa County on **AUGUST 8, 2001**.

All purchases of products and/or services listed on the attached pages of this letter are to be obtained from the vendor holding the contract. Individuals are responsible to the vendor for purchases made outside of contracts. The contract period is indicated above.

Wes Baysinger, Director
Materials Management

SD/ks
Attach

Copy to: Clerk of the Board
Mike Schaiberger, Total Compensation
Pat Vancil, Total Compensation
Mirheta Muslic, Materials Management

SPECIFICATIONS ON INVITATION FOR BID FOR: **PRE-PAID DENTAL BENEFIT PLAN**

1.0 INTENT:

1.1 BACKGROUND:

Maricopa County (the County) services employees in urban, suburban and rural areas within the County. The County's active employees reside in the Phoenix metropolitan area as well as Gila Bend, Wickenburg, etc.

Maricopa County Government is under the control of a five-member Board of Supervisors, elected every four years. In addition, seven departments are controlled by elected officials: Assessor, Treasurer, Recorder, Sheriff, County Attorney, Superintendent of Schools, and Clerk of Superior Court. A presiding judge leads the Superior Court System.

The County Administrative officer reports to the Board of Supervisors and is responsible for the operation of those departments under the control of the Board (those not identified in the previous paragraph), and for implementation of Board policy. Four other officers support the CAO: the Deputy County Administrator, Chief Information Officer, Chief Financial Officer, Chief Community Services Officer, Chief Health and Human Services Officer, and Chief Public Works Officer.

Maricopa County has prepared this Request for proposal and will examine proposals and make recommendations relative to the following coverages for their employees, and their dependents.

It is the intent of Maricopa County to solicit proposals for a fully insured prepaid dental plan commencing January 1, 2002 to cover employees throughout Maricopa County. This plan will be along side a PPO dental plan (plan summary exhibit 2) also available to all Maricopa County employees, and we will consider the best plan your organization can offer relative to the specs included in this Bid.

2.0 TECHNICAL REQUIREMENTS:

The plan of benefits shall match, as closely as possible, the current plan of benefits provided by United Dental Care. If you feel it would be advantageous for the County to consider other additional plan designs, the current plan design and fee schedule must be met as closely as possible as a minimum and only richer benefit plans and fee schedules will be considered. Please provide specific descriptions of all proposed differences.

2.1 Scope Of Work To Be Provided By Vendor Under This Bid

In addition to the minimum requirements noted in section #, your proposed and ultimately contracted services, must comply with the following scope of work:

2.1.1 Contract effective date will be 1/1/2002. Rates must be pre-determined for at least the first 3 contract years. (The rates need not necessarily be the same for all 3 years).

2.1.2 The policy's or contract's rate change date and anniversary will fall on January 1st. All contract or benefit changes will only occur on this date unless previously agreed to in writing by all parties.

2.1.3 Written, 9-month rate change notification including any major plan change including but not limited to, benefit plan design (co-pay schedule) and provider network must be given prior to the anniversary dates for years 4 and 5 and will include supporting documentation. The first notification is due April 1, 2004 for year 4 of the contract (2005). Preliminary, non-binding renewal projections to assist the County in the budgetary process must be provided as requested.

2.1.4 Vendor must notify the County at least 9 months prior to voluntary, unilateral plan termination or plan replacement or reduction of benefits effective on the next anniversary.

- 2.1.5 Vendor shall have the ability to administer current plan. Plan costs are shared with employees on a 50% basis across the board. Premiums are paid monthly based on 13 cycles per year, or 26 payroll cycles. Monthly premiums are converted to correspond to the 26 pay periods. Premiums will be paid therefore every 4 weeks approximately 23-25 days after the end of the month.
- 2.1.6 Retrospective premium adjustments will be requested for up to 90 days following an event. This will allow for premium credits and debits adjustments due to administrative oversight from either the vendor or the County. Once coverage changes or terminations notices become delinquent for more than 90 days for the periods beyond 90 days the vendor and the County will be required to accept those gains or losses on their own books. For example, if the County notifies the vendor of a termination after 6 months following the actual termination, the County will be able to receive a credit of only 3 months premium return as over payment. Premium attributable to the vendor beyond 3 months will be payable to the vendor. In addition, the vendor may terminate any member's coverage with notification to the County if the County has not submitted premium to the vendor for more than 3 months.
- 2.1.7 Eligibility for active participants will be handled via electronic file. The Contractor must have capabilities to receive and send electronic files and access Windows-based and Internet based application data at least weekly. The Contractor must provide their IP address, Web Page address, FTP SITE, or provide direct dial up specifications.
- 2.1.8 The County's COBRA Administrator will handle eligibility for COBRA participants, which is currently Administrative Enterprises, Inc. Premium payment is also handled by AEI.
- 2.1.9 The County maintains the rights to accept, reject, or cancel the contract of a contractor at any time. Reasons for termination may be but are not limited to a significant change in the County's opinion in the contractor's operation of the plan, including but not limited to, the provider network, satisfaction with customer service, quality of the plan and satisfaction by the County's employees
- 2.1.10 Vendor must include a contract provision that all forms, documents, summaries and all marketing materials are initially and automatically provided electronically as the standard method. Also, printed materials would still be required for the account for certain documents such as SPDs for distribution. But, the first version of all information would be an electronic version, after review and approval by the client.
- 2.1.11 Contractor must supply and pay for all printed and electronic employee communication materials including plan summaries and provider directories.
- 2.1.12 Administrative and Network Management Capability shall include:
 - 2.1.12.1 EDI for eligibility and billing information between vendor and client (based on electronic file format in EXHIBIT)
 - 2.1.12.2 Internet Capability
 - 2.1.12.3 Eligibility System and Procedures
 - 2.1.12.4 Customer Service Tracking System and reporting provide to Maricopa
- 2.1.13 Contractors must supply ONE (1) original and FOUR (4) copies of BID RESPONSE.
- 2.1.14 Contractor must provide Quarterly County specific customer service reports, call center and other customer contact, problem resolution and appeal processes.
- 2.1.15 Vendor will provide at least a monthly electronic database of current providers indicating those provider offices that are open and those closed to new patients.
- 2.1.16 Contractor must provide summarized results of County specific satisfaction survey at least annually no less than 7 months prior to the renewal anniversary.

- 2.1.17 Vendor will meet periodically, at least quarterly and sometimes more frequently with Benefits Division to conduct operational and strategic meetings regarding benefit plan operations, problem resolution, customer service issues, and plan direction.
- 2.1.18 Vendor will provide personnel to attend open enrollment and other periodic employee information and health fairs.
- 2.1.19 Contract/rates will not include any commission load.

2.2 TAX:

Bid pricing to include all labor, overhead, and profit, and any taxes that may be levied. It is the responsibility of the bidder to determine any and all taxes and include the same in bid price.

3.0 SPECIAL TERMS & CONDITIONS:

3.1 Minimum Vendor Requirements

- 3.1.1 Vendor's provider network must include a minimum of ~~200~~ **120** general dentists in Maricopa County and at least ~~420~~ **60** specialists with current active contracts operating in Maricopa County and able to provide services to Maricopa County employees.
- 3.1.2 Vendor must provide and list current general and specialist provider and whether their practices are currently open or closed to new member/patients. Listing must show a provider's full time equivalence and not include or list the same provider at more than one office location. List must also include providers office address and phone number.
- 3.1.3 Each vendor must provide a map indicating the locations of all dentist offices in network including family dentistry and specialists.
- 3.1.4 Vendor must include a contract provision that all forms, documents, summaries and all marketing materials are automatically provided electronically as the standard method. Also, printed materials would still be required for the account for plan summary descriptions for distribution at least one document per members annually. But, the first version of all information would be an electronic version, after review and approval by the client.
- 3.1.5 Vendor must accept Maricopa County's electronic eligibility file and premium accounting formatted to their specifications. Please see Exhibit 5.
- 3.1.6 Vendor must administer eligibility according to Benefits document attached as Exhibit 6.
- 3.1.7 The proposing dental plan, or its corporate parent, must have revenues in excess of \$5,000,000 and total assets in excess of \$50,000,000 during the most recent fiscal year report.
- 3.1.8 Vendor must have a least 3 accounts with populations of more than 2,500 employees within the Southwest Region.

3.2 CONTRACT LENGTH:

This Invitation For Bids is for awarding a firm, fixed price purchasing contract to cover a THREE (3) year period.

3.3 OPTION TO EXTEND:

The County may, at their option and with the approval of the Contractor, extend the period of this Contract up to a maximum of TWO (2), one (1) year options. The Contractor shall be notified in writing by the Materials Management Department of the County's intention to extend the contract period at least thirty (30) calendar days prior to the expiration of the original contract period.

3.4 INDEMNIFICATION AND INSURANCE:

3.4.1 INDEMNIFICATION FOR PROFESSIONAL LIABILITY

To the fullest extent permitted by law, the **CONSULTANT** shall indemnify, and hold harmless the **COUNTY**, its agents, representatives, officers, directors, officials, and employees from and against all claims, damages, losses and expenses, including but not limited to attorney fees, court costs, expert witness fees, and the cost of appellate proceedings, relating to, arising out of, or alleged to have resulted from the **CONSULTANT'S** negligent acts, errors, omissions or mistakes relating to professional services in the performance of this Contract. **CONSULTANT'S** duty to indemnify and hold harmless the **COUNTY**, its agents, representatives, officers, directors, officials, and employees shall arise in connection with any claim, damage, loss or expense that is attributable to bodily injury, sickness, disease, death, or injury to, impairment, or destruction of property, including loss of use resulting therefrom, caused by any negligent acts, errors, omissions or mistakes, related to professional services in the performance of this Contract including any person for whose negligent acts, errors, omissions or mistakes, the **CONSULTANT** may be legally liable.

The amount and type of insurance coverage requirements set forth herein will in no way be construed as limiting the scope of the indemnity in this paragraph.

For all other hazards, liabilities, and exposures:

To the fullest extent permitted by law, the **CONSULTANT** shall defend, indemnify and hold harmless the **COUNTY**, its agents, representatives, officers, directors, officials and employees from and against all claims, damages, losses and expenses (including but not limited to attorney fees, court costs, expert witness fees, and the cost of appellate proceedings), relating to, arising out of or resulting from the **CONSULTANT'S** work or services. **CONSULTANT'S** duty to defend, indemnify and hold harmless the **COUNTY**, its agents, representatives, officers, directors, officials and employees shall arise in connection with any claim, damage, loss or expense that is attributable to bodily injury, sickness, disease, death, injury to, impairment or destruction of property including loss of use resulting therefrom, caused in whole or in part by any act or omission of the **CONSULTANT**, anyone **CONSULTANT** directly or indirectly employs or anyone for whose acts **CONSULTANT** may be liable.

The amount and type of insurance coverage requirements set forth herein will in no way be construed as limiting the scope of the indemnity in this paragraph.

Abrogation of Arizona Revised Statutes Section 34-226:

In the event that A.R.S. § 34-226 shall be repealed or held unconstitutional or otherwise invalid by a court of competent jurisdiction, then this duty of indemnification shall extend to all claims, damages, losses and expenses, including but not limited to attorney fees, court costs, expert witness fees, and the cost of appellate proceedings, relating to, arising out of, or alleged to have resulted therefrom, caused in whole or in part by any negligent acts, errors, or omissions relating to professional work or services in the performance of this Contract by the **CONSULTANT**, or anyone directly employed by the **CONSULTANT** or anyone for whose acts **CONSULTANT** may be liable regardless of whether it is caused by any party indemnified hereunder, including the **COUNTY**.

The amount and type of insurance coverage requirements set forth herein will in no way be construed as limiting the scope of the indemnity in this paragraph.

The scope of this indemnification does not extend to the sole negligence of the **COUNTY**.

3.4.2 INSURANCE REQUIREMENTS:

CONSULTANT, at **CONSULTANT'S** own expense, shall purchase and maintain the herein stipulated minimum insurance with companies duly licensed, possessing a current A.M. Best, Inc. Rating of B++6, or approved unlicensed companies in the State of Arizona with policies and forms satisfactory to the **COUNTY**.

All insurance required herein shall be maintained in full force and effect until all work or service required to be performed under the terms of the Contract is satisfactorily completed and formally accepted. Failure to do so may, at the sole discretion of the **COUNTY**, constitute a material breach of this Contract.

The **CONSULTANT'S** insurance shall be primary insurance as respects the **COUNTY**, and any insurance or self-insurance maintained by the **COUNTY** shall not contribute to it.

The policies required hereunder, except Workers' Compensation and Professional Liability, shall contain a waiver of transfer of rights of recovery (subrogation) against the **COUNTY**, its agents, representatives, officers, directors, officials and employees for any claims arising out of the **CONSULTANT'S** work or service.

Any failure to comply with the claim reporting provisions of the insurance policies or any breach of an insurance policy warranty shall not affect coverage afforded under the insurance policies to protect the **COUNTY**.

The insurance policies may provide coverage which contains deductibles or self-insured retentions. Such deductible and/or self-insured retentions shall not be applicable with respect to the coverage provided to the **COUNTY** under such policies. The **CONSULTANT** shall be solely responsible for the deductible and/or self-insured retention and the **COUNTY**, at its option, may require the **CONSULTANT** to secure payment of such deductibles or self-insured retentions by a surety bond or an irrevocable and unconditional letter of credit.

The **COUNTY** reserves the right to request and to receive, within 10 working days, certified copies of any or all of the herein required insurance policies and/or endorsements. The **COUNTY** shall not be obligated, however, to review such policies and/or endorsements or to advise **CONSULTANT** of any deficiencies in such policies and endorsements, and such receipt shall not relieve **CONSULTANT** from, or be deemed a waiver of, the **COUNTY'S** right to insist on strict fulfillment of **CONSULTANT'S** obligations under this Contract.

The insurance policies required by this Contract, except Workers' Compensation and Professional Liability, shall name the **COUNTY**, its agents, representatives, officers, directors, officials and employees as Additional Insureds.

3.4.3 Commercial General Liability. **CONSULTANT** shall maintain Commercial General Liability insurance with a limit of not less than \$1,000,000 for each occurrence with a \$2,000,000 Products/Completed Operations Aggregate and a \$2,000,000 General Aggregate Limit. The policy shall include coverage for bodily injury, broad form property damage, personal injury, products and completed operations and blanket contractual coverage including, but not limited to, the liability assumed under the indemnification provisions of this Contract which coverage will be at least as broad as Insurance Service Office, Inc. Policy Form CG 00 01 10 93 or any replacements thereof. The coverage shall include X, C, U.

The policy shall contain a severability of interest provision, and shall not contain a sunset provision or commutation clause, or any provision which would serve to limit third party action over claims.

The Commercial General Liability additional insured endorsement shall be at least as broad as the Insurance Service Office, Inc.'s Additional Insured, CG 20 10 11 85, and shall include coverage for **CONSULTANT'S** operations and products and completed operations.

3.4.4 Automobile Liability. **CONSULTANT** shall maintain Automobile Liability insurance with an individual single limit for bodily injury and property damage of no less than \$1,000,000, each occurrence, with respect to **CONSULTANT'S** vehicles (whether owned, hired, non-owned), assigned to or used in the performance of this Contract.

3.4.5 Workers' Compensation. The **CONSULTANT** shall carry Workers' Compensation insurance to cover obligations imposed by federal and state statutes having jurisdiction of **CONSULTANT'S** employees engaged in the performance of the work or services, as well as Employer's Liability insurance of not less than \$1,000,000 for each accident, \$1,000,000 disease for each employee, and \$1,000,000 disease policy limit.

In case any work is subcontracted, the **CONSULTANT** will require the Subconsultant to provide Workers' Compensation and Employer's Liability insurance to at least the same extent as required of the **CONSULTANT**.

3.4.6 Professional Liability. The **CONSULTANT** retained by the **COUNTY** to provide the work or service required by this Contract shall maintain Professional Liability insurance covering negligent acts, errors, or omissions arising out of the work or services performed by the **CONSULTANT**, or any person employed by the **CONSULTANT**, with a limit of not less than \$1,000,000 each claim.

3.5 CERTIFICATES OF INSURANCE:

Prior to commencing work or services under this Contract, **CONSULTANT** shall furnish the **COUNTY** with Certificates of Insurance, or formal endorsements as required by the Contract, issued by **CONSULTANT'S** insurer(s), as evidence that policies providing the required coverages, conditions and limits required by this Contract are in full force and effect. Such certificates shall identify this contract number and title.

In the event any insurance policy(ies) required by this contract is(are) written on a "claims made" basis, coverage shall extend for two years past completion and acceptance of the **CONSULTANT'S** work or services and as evidenced by annual Certificates of Insurance.

If a policy does expire during the life of the Contract, a renewal certificate must be sent to the **COUNTY** fifteen (15) days prior to the expiration date.

3.6 CANCELLATION AND EXPIRATION NOTICE

Insurance required herein shall not expire, be canceled, or materially changed without thirty (30) days prior written notice to the **COUNTY**.

3.7 REQUIREMENT OF CONTRACT BONDS:

Concurrently with the submittal of the Contract, the Contractor shall furnish the Contracting Agency the following bonds, which shall become binding upon the award of the Contract to the Contractor.

(A) A Performance Bond in an amount equal to the full Contract amount conditioned upon the faithful performance of the Contract in accordance with plans, specifications and conditions thereof. Such bond shall be solely for the protection of the Contracting Agency awarding the Contract.

(B) A Payment Bond in an amount equal to the full Contract amount solely for the protection of claimants supplying labor or materials to the Contractor or his Subcontractors in the prosecution of the work provided for in such contract.

Each such bond shall include a provision allowing the prevailing party in a suit on such bond to recover as a part of his judgment such reasonable attorney's fees as may be fixed by a judge of the court.

Each such bond shall be executed by a surety company or companies holding a certificate of authority to transact surety business in the State of Arizona issued by the Director of the Department of Insurance. The bonds shall not be executed by an individual surety or sureties. The bonds shall be made payable and acceptable to the Contracting Agency. The bonds shall be written or countersigned by an authorized representative of the surety who is either a resident of the State of Arizona or whose principal office is maintained in this state, as by law required, and the bonds shall have attached thereto a certified copy of the Power of Attorney of the signing official. In addition, said company or companies shall be rated "Best-A" or better as required by the Contracting Agency, as currently listed in the most recent Best Key Rating Guide, published by the A.M. Best Company.

3.8 TERMS AND PAYMENT:

Payment under contract will be made in the manner provided by law. Invoices shall be prepared and submitted in accordance with the instructions provided on the Purchase Order. Invoices shall contain the following information: Purchase Order number, item numbers, description of supplies and or/services, sizes, quantities, unit prices and extended totals and applicable sales/use tax. The County is not subject to excise tax.

3.9 USAGE REPORT:

The Contractor shall furnish the County a quarterly usage report delineating the acquisition activity governed by the Contract. The format of the report shall be approved by the County and shall disclose the quantity and dollar value of each contract item by individual unit.

3.10 TECHNICAL AND DESCRIPTIVE LITERATURE:

Bidder(s) must include complete descriptive literature regarding the service they propose to provide. Literature shall be sufficient in detail in order to allow full and fair evaluation of the offer submitted. Failure to include this information may result in the bid being rejected.

3.11 INTERNET ORDERING CAPABILITY:

It is the intent of Maricopa County to utilize the Internet to place orders under this Contract. Proposers without this capability maybe considered non-responsive and not eligible for award consideration.

3.12 INQUIRIES:

All inquiries concerning information contained herein shall be addressed to:

MARICOPA COUNTY
DEPARTMENT OF MATERIALS MANAGEMENT
ATTN: CONTRACT ADMINISTRATION
320 WEST LINCOLN
PHOENIX AZ 85003

Administrative telephone inquiries shall be addressed to:

STEVE DAHLE, SENIOR LEAD PROCUREMENT CONSULTANT – (602) 506-3450

Technical Telephone inquiries shall be addressed to:

PETE CERCHIARA, EMPLOYEE BENEFIT MANAGER - (602) 372-2837

Inquiries may be submitted by telephone but must be followed up in writing. No oral communication is binding on Maricopa County.

3.13 **PRE-BID CONFERENCE:**

THERE WILL BE A MANDATORY PRE-BID CONFERENCE ON JUNE 18, 2001, 9:00 AM AT THE MARICOPA COUNTY ADMINISTRATION BUILDING, 3RD FLOOR ORGANIZATION PLANNING AND TRAINING CONFERENCE ROOM, 301 W. JEFFERSON ST., PHOENIX, AZ 85003

4.0 CONTRACT TERMS AND CONDITIONS:

4.1 **LANGUAGE FOR REQUIREMENTS CONTRACTS:**

Contractors signify their understanding and agreement by signing this document, that the Contract resulting from this bid will be a requirements contract. However, this Contract does not guarantee that any purchases will be made. It only indicates that if purchases are made for the services contained in this Contract, that they will be purchased from the Contractor awarded that item. Orders will only be placed when a need is identified by a Using Agency or Department and proper authorization and documentation have been approved.

4.2 **ESCALATION:**

Any requests for price adjustments must be submitted thirty (30) days prior to the Contract renewal date. Justification for the requested adjustment in cost of labor and/or materials must be accompanied by appropriate documentation. Escalation shall not exceed the increase in the U.S. Department of Labor (Bureau of Labor Statistics) Consumer Price Index for Urban Consumers. Increases shall be approved in writing by the Materials Management Department prior to any adjusted invoicing submitted for payment.

4.3 **UNCONDITIONAL TERMINATION FOR CONVENIENCE:**

Maricopa County may terminate the resultant Contract for convenience by providing sixty (60) calendar days advance notice to the Contractor.

4.4 **TERMINATION FOR DEFAULT:**

If the Contractor fails to meet deadlines, or fails to provide the agreed upon service/material altogether, a termination for default will be issued. The termination for default will be issued only after it is deemed by the County, that the Contractor has failed to remedy the problem after being forewarned.

4.5 **TERMINATION BY THE COUNTY:**

If the Contractor should be adjudged bankrupt or should make a general assignment for the benefit of its creditors, or if a receiver should be appointed on account of its insolvency, the County may terminate this Contract. If the Contractor should persistently or repeatedly refuse or should fail, except in cases for which extension of time is provided, to provide enough properly skilled workers or proper materials, or persistently disregard laws and ordinances, or not proceed with work or otherwise be guilty of, a substantial violation of any provision of this Contract, then the County may terminate this Contract. Prior to termination of this Contract, the County shall give the Contractor fifteen (15) calendar days written notice. Upon receipt of such termination notice, the Contractor shall be allowed fifteen (15) calendar days to cure such deficiencies.

4.6 **APPROPRIATION CONTINGENCY:**

The Contractor recognized that any agreement entered into shall commence upon the day first provided and continued in full force and effect until termination in accordance with its provisions. The Contractor and the County herein recognized that the continuation of any contract after the close of any given fiscal year of the County which fiscal years end on June 30 of each year, shall be subject to the approval of the budget of the County providing for or covering such contract item as an expenditure therein. The County does not represent that said budget item will be actually adopted, said determination being the determination of the County Board of Supervisors at the time of the adoption of the budget.

4.7 ORGANIZATION - EMPLOYMENT DISCLAIMER:

The Contract is not intended to constitute, create, give rise to or otherwise recognize a joint venture contract or relationship, partnership or formal business organization of any kind, and the rights and obligations of the parties shall be only those expressly set forth in the Contract.

The parties agree that no persons supplied by the Contractor(s) in the performance of obligations under the contract are considered to be County employees, and that no rights of County civil service, retirement or personnel rules accrue to such persons. The Contractor(s) shall have total responsibility for all salaries, wages, bonuses, retirement withholdings, workmen's compensation, other employee benefits and all taxes and premiums appurtenant thereto concerning such persons, and shall save and hold the County harmless with respect thereto.

4.8 STATUTORY RIGHT OF CANCELLATION FOR CONFLICT OF INTEREST:

Notice is given that pursuant to A.R.S. § 38-511 the County may cancel this Contract without penalty or further obligation within three years after execution of the contract, if any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the County is at any time while the Contract or any extension of the Contract is in effect, an employee or agent of any other party to the contract in any capacity or consultant to any other party of the Contract with respect to the subject matter of the Contract. Additionally, pursuant to A.R.S. § 38-511 the County may recoup any fee or commission paid or due to any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the County from any other party to the contract arising as the result of the contract.

4.9 OFFSET FOR DAMAGES:

In addition to all other remedies at Law or Equity, the County may offset from any money due to the Contractor any amounts Contractor owes to the County for damages resulting from breach or deficiencies in performance under this contract.

4.10 ADDITIONS/DELETIONS OF SERVICE:

The County reserves the right to add and/or delete services to this Contract. Should a service requirement be deleted, payment to the Contractor will be reduced proportionally, to the amount of service reduced in accordance with the bid price. Should additional services be required from this Contract, prices for such additions will be negotiated between the Contractor and the County.

4.11 SUBCONTRACTING:

The Contractor may not assign this Contract or Subcontract to another party for performance of the terms and conditions hereof without the written consent of the County. All correspondence authorizing subcontracting must reference the Bid Serial Number and identify the job project.

The Subcontractor's rate for the job shall not exceed that of the Prime Contractor's rate, as bid in the pricing section, unless the Prime Contractor is willing to absorb any higher rates. The Subcontractor's invoice shall be invoiced directly to the Prime Contractor, who in turn shall pass-through the costs to the County, without mark-up. A copy of the Subcontractor's invoice must accompany the Prime Contractor's invoice.

4.12 AMENDMENTS:

All amendments to this Contract must be in writing and signed by both parties.

4.13 CONFORMATION WITH THE LAW:

This service shall be accomplished in conformity with the laws, ordinances, rules, regulations and zoning restrictions of the United States of America, the State of Arizona, County of Maricopa, and the City of Phoenix.

4.14 CONTRACT COMPLIANCE MONITORING:

The Materials Management Department and the using Agency (ies) shall monitor the Contractors compliance with, and performance under, the terms and conditions of the Contract. The Contractor shall make available for inspection and/or copying by the County all records and accounts relating to the work performed or the services provided in this Contract.

4.15 RETENTION OF RECORDS:

The Contractor agrees to retain all financial books, records, and other documents relevant to this Contract for five (5) years after final payment or until after the resolution of any audit questions which could be more than five (5) years, whichever is longer. The Department, Federal or State auditors and any other persons duly authorized by the Department shall have full access to, and the right to examine, copy and make use of any and all said materials.

4.16 ADEQUACY OF RECORDS:

If the Contractor's books, records and other documents relevant to this Contract are not sufficient to support and document that allowable services were provided. The Contractor shall reimburse Maricopa County for the services not so adequately supported and documented.

4.17 AUDIT DISALLOWANCES:

If at any time it is determined by the Department that a cost for which payment has been made is a disallowed cost, the Department shall notify the Contractor in writing of the disallowance and the required course of action, which shall be at the option of the Department either to adjust any future claim submitted by the Contractor by the amount of the disallowance or to require repayment of the disallowed amount by the Contractor forthwith issuing a check payable to Maricopa County.

4.18 P.O. CANCELLATION LANGUAGE:

The Department of Materials Management reserves the right to cancel Purchase Orders within a reasonable period of time after issuance. Should a Purchase Order be canceled, the County agrees to reimburse the Contractor but only for actual and documentable costs incurred by the Contractor due to and after issuance of the Purchase Order. The County will not reimburse the Contractor for any costs incurred after receipt of County notice of cancellation, or for lost profits, shipment of product prior to issuance of Purchase Order, etc.

Contractors agree to accept verbal notification of cancellation from the Department of Materials Management with written notification to follow. By submitting a bid in response to this Invitation For Bids, the Contractor specifically acknowledges to be bound by this cancellation policy.

4.19 VALIDITY:

The invalidity, in whole or in part, of any provision of this Contract shall not void or affect the validity of any other provision of this Contract.

4.20 CONTRACTOR RESPONSIBILITY:

The Contractor will be responsible for any damages whatsoever to County property as applicable when such property is the responsibility or in the custody of the Contractor, his employees or Subcontractors.

4.21 GUARANTEE:

The materials and supplies called herein shall be the best of their grade and types, prepared according to the best available standards or accepted formulas, and thoroughly tested and subjected to rigid examination and standardization. Items not meeting these requirements shall be replaced at no cost to the County upon due notice of deficiency.

4.22 DELIVERY:

It shall be the Contractor responsibility to meet the County's delivery requirements, as called for in the Technical Specifications. Maricopa County reserves the right to obtain services on the open market in the event the Contractor fails to make delivery and any price differential will be charged against the Contractor.

4.23 RIGHTS IN DATA:

The County shall have the use of data and reports resulting from this Contract without additional cost or other restriction except as may be established by law or applicable regulation. Each party shall supply to the other party, upon request, any available information that is relevant to this Contract and to the performance hereunder.

4.24 SECURITY AND PRIVACY:

The Contractor agrees that none of its officers or employees shall use or reveal any research or statistical information furnished by any person and identifiable to any specific private person for any purpose other than the purpose for which it was obtained. Copies of such information shall not, without the consent of the person furnishing such information, be admitted as evidence or used for any purpose in any action, suit, or other judicial or administrative proceedings, unless ordered by a court of competent jurisdiction. The County shall be notified immediately upon receipt of any such order of court, pertaining to production of such information.

The Contractor shall incorporate the foregoing provisions of this paragraph in all of its authorized subcontracts.

EMPLOYERS DENTAL SERVICES INC., 4720 N. ORACLE ROAD STE 100, TUCSON, AZ 85705
P. O. BOX 36600, TUCSON AZ 85740

S063202 / B0604222

WILLING TO ACCEPT FUTURE SOLICITATIONS VIA EMAIL: ☒ YES ☐ NO

OTHER GOV'T. AGENCIES MAY USE THIS CONTRACT: ☐ YES ☒ NO

1.0 PRICING:

1.1 Pricing:

Per Employee / Per Month Costs

Calendar/Plan Year	Employee Only	Employee + Spouse	Employee + Children	Employee + Family
2002	\$ 7.98	\$ 15.16	\$ 19.90	\$ 22.92
2003	\$ 8.30	\$ 15.86	\$ 20.60	\$ 23.94
2004	\$ 8.66	\$ 16.56	\$ 21.36	\$ 25.02
2005	\$ 9.19	\$ 17.46	\$ 22.92	\$ 26.40
2006/07	\$ 9.67	\$ 18.37	\$ 24.12	\$ 27.78

Rate Caps `05 & `06

2005	15.2% from yr. one	15.2% from yr. one	15.2% from yr. one	15.2% from yr. one
2006	21.2% from yr. one	21.2% from yr. one	21.2% from yr. one	21.2% from yr. one

Terms: NET 10

Vendor Number: **W000005105 X**

Telephone Number: 800-722-9772 / **520/696-4300**

Fax Number: 520/696-4311

Contact Person: Susana P. Valenzuela

E-mail Address: SALESEDS@AOL.COM svalenzuela@mydentalplan.net

JUNE 30, 2007

Contract Period: To cover the period ending ~~DECEMBER 31, 2004-2006~~